

RESACA EXPLOITATION, INC.

(the "*Company*")

COMPENSATION COMMITTEE CHARTER

1. CONSTITUTION

- 1.1. The board of directors of the Company (the "**Board**") hereby resolves to establish a committee of the Board to be known as the compensation committee (the "**Compensation Committee**") to:
- a) ensure that the Company's directors and senior executives are fairly rewarded for their individual contributions to the Company's overall performance by determining their pay and perquisites; and
 - b) demonstrate to all shareholders that the remuneration of the senior executive members of the Company is set out by a committee of the Board who will give due regard to the interests of the shareholders and to the financial and commercial health of the Company.

2. MEMBERSHIP

- 2.1. The Compensation Committee shall be appointed by the Board and shall be comprised of at least three directors that meet the independence requirements specified in section 2.2 below. The Board shall elect a chairman from amongst the Compensation Committee members who shall be an independent non-executive director.
- 2.2. At such time as the Company becomes subject to regulation by the Securities and Exchange Commission or applicable U.S. exchange listing, each member of the Compensation Committee must (i) be a "non-employee director," as such term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision thereto, and (ii) meet the independence requirements of such applicable regulations.
- 2.3. Members of the Compensation Committee shall serve on the Compensation Committee for periods of up to three years, which may be extended for two further three year periods, provided the director remains independent. The membership of the Compensation Committee shall be set out in the annual report of the Company.
- 2.4. A quorum of the Compensation Committee shall be two members.
- 2.5. Each member of the Compensation Committee shall disclose to the Compensation Committee any personal financial or other interest in any matter to be decided or discussed by the Compensation Committee or any potential conflict of Interest arising from a cross-directorship or otherwise.

3. ATTENDANCE AT MEETINGS

- 3.1. The Chairman of the Company and/or other non-executive directors, the Chief Executive, Finance Director, head of human resources or external advisers may be invited to attend meetings but such persons have no right of attendance. The company secretary, or its nominee, or such other person as the Compensation Committee may appoint, shall be the secretary of the Compensation Committee.
- 3.2. No member of the Board shall participate at a meeting of the Compensation Committee (or during the relevant part) at which any part of his remuneration (including his options) is being discussed or participate in any recommendation or decision concerning his remuneration (including his options).

3.3. A duly convened meeting of the Compensation Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Compensation Committee.

3.4. Meetings may be held by telephone.

4. FREQUENCY

4.1. Meetings shall be held on a quarterly basis in each financial reporting year and whenever the Compensation Committee sees fit.

5. NOTICE OF MEETINGS

5.1. Meetings of Compensation Committee shall be summoned by the company secretary. Any member of the Compensation Committee, the secretary of the Compensation Committee, the Chairman of the Company or the external or internal auditors may request a meeting if they consider that one is necessary.

5.2. Unless otherwise agreed, the company secretary shall circulate notice of each meeting confirming the venue, time and date together with an agenda of matters to be discussed to all members and any other person required to attend no later than 48 hours before the date of meeting of the Compensation Committee.

6. MINUTES

6.1. The secretary of the Compensation Committee shall minute the proceedings and resolutions of all Compensation Committee meetings, including the names of those present and in attendance if, as and when requested to do so by the chairman of the Compensation Committee.

6.2. The secretary of the Compensation Committee shall within 30 days of the date of a Compensation Committee meeting circulate the minutes of Compensation Committee meetings to all members of the Compensation Committee and the Chairman of the Board.

6.3. Finalised minutes of the meetings of the Compensation Committee will be circulated to the members of the Board as part of the Board papers for each full meeting of the Board. The Compensation Committee may, in addition, at any time request a full meeting of the Board at which its conclusions shall be reported.

7. AUTHORITY

7.1. The Compensation Committee is authorized by the Board to investigate any activity within its charter. It is authorized to seek any information it requires from any employee or director of the Company in order to perform its duties and any employee or director is directed to co-operate with any request made by the Compensation Committee including being questioned at a meeting of the Compensation Committee as and when required.

7.2. The Compensation Committee is authorized by the Board to obtain, at the Company's expense appropriate external legal, accountancy or other independent professional advice on any matters within its charter and to secure the attendance of external advisers with relevant experience and expertise if it considers this necessary.

7.3. As a sub-committee of the Board, the Compensation Committee is answerable to the Board and shall report to it on a regular basis.

8. VOTING ARRANGEMENTS

- 8.1. Each member of the Compensation Committee shall have one vote which may be cast on matters considered at the meeting. Votes may only be cast by members attending the meeting.
- 8.2. If a matter considered by the Compensation Committee is one in which a member has a personal interest (either directly or indirectly), that member shall not be permitted to participate in or vote at the meeting.
- 8.3. Save where he has a personal interest, the chairman will have the casting vote.

9. DUTIES AND CHARTER

The Compensation Committee shall:

- (a) determine and agree with the Board the framework for the remuneration of the Chairman and Chief Executive of the Company, the executive directors, the company secretary and such other members of the executive management as it is designated to consider. No director or manager shall be involved in any decisions as to their own compensation. Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive of the Company as appropriate, the Compensation Committee shall determine the total individual remuneration package of each executive director and other senior executives with regard to all elements of remuneration, including without limitation:
 - i) base salary and fees;
 - ii) performance related payments (including profit sharing schemes);
 - iii) discretionary payments including compensation payments;
 - iv) pension contributions;
 - v) benefits in kind;
 - vi) bonus payments; and
 - vii) all forms of long terms incentive schemes (including share options schemes),
- (b) and in doing so shall give regard to any relevant legal requirements, the provisions and recommendations in the Share Dealing Code adopted by the Company and associated guidance. In addition, if applicable, the Compensation Committee shall monitor the effect that compensation proposed to be paid to a director will have on the director's ability to be considered "independent" under the requirements of applicable U.S. exchange listing standards and applicable federal securities laws, including the rules and regulations of the SEC;
- (c) in determining the framework or broad policy for the remuneration of executive directors and (if required) senior managers, take into account such factors which it deems necessary to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- (d) review the ongoing appropriateness and relevance of the remuneration policy;
- (e) determine the policy for, and scope of, pension arrangements for each executive director and other senior executive;
- (f) be responsible for establishing the selection criteria, selection, appointment and setting the terms of reference for any remuneration consultants who advise the Compensation Committee and to obtain liable, up-to-date information about remuneration in other companies. The Compensation Committee shall have full authority to commission any report or surveys it deems necessary to fulfill its obligations;

- (g) if requested to do so by the Board make a report each year to the shareholders on behalf of the Board, which takes into account of or note shareholding and other relevant business interests and activities of the directors.

10. REMUNERATION POLICY

In fulfilling its duties, the Compensation Committee shall take account the following;

- (a) the Compensation Committee must provide the packages needed to attract, retain and motivate directors of the quality required but should avoid paying more than its necessary for this purpose;
- (b) the Compensation Committee should judge where to position the Company relative to other companies. It should be aware what other comparable companies are paying and should take account or relative performance;
- (c) the Compensation Committee should be sensitive to the wider scene, including pay and employment conditions elsewhere in the Company, especially when determining annual salary increases;
- (d) the Compensation Committee should agree on the policy for authorizing claims for expenses from the Chairman and Chief Executive of the Company;
- (e) the performance-related elements of remuneration should be designed to align the interests of directors and shareholders and to give directors keen incentives to perform at the highest levels;
- (f) the Compensation Committee should approve the design of, and determine targets for, any performance related pay schemes (including share incentives plans) and approve the total annual payments made under such schemes. In particular:
 - (i) The Compensation Committee should consider whether the directors should be eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to enhance the business. Upper limited should always be considered. There may be a case for part-payment in shares to be held for a significant period.
 - (ii) The Compensation Committee should consider whether the directors should be eligible for benefits under long-term incentive schemes. Traditional share option schemes should be weighed against other kinds of long-term incentive scheme. Directors should be encouraged to hold their shares for a further period after vesting or exercise subject to the need to finance any costs of acquisition and associated tax liability;
 - (iii) The Compensation Committee should propose new long-term incentive schemes (including share option schemes), whether payable in cash or share in which directors or senior executives will participate which potentially commit shareholders' funds over more than one year or dilute the equity only on the basis that shareholders will approve the schemes prior to their adoption; and
 - (iv) Any new long-term incentive schemes which are proposed should preferably replace existing schemes or at least form part of a well-considered overall plan, incorporating existing schemes, which should be approved as a whole by shareholders. The total rewards potentially available should not excessive;
- (g) executive share options should never be issued at a discount;
- (h) the Compensation Committee should consider the pension consequences and associated costs to the Company of basic salary increases, especially for directors close to retirement; and
- (i) in general, neither annual bonuses nor benefits in kind should be pensionable.

11. SERVICE CONTRACTS AND COMPENSATION

The Compensation Committee should consider what compensation commitments the directors' contracts of services, if any, would entail in the event of early termination, particularly for unsatisfactory performance, taking into account the following:

- (a) there is a strong case of setting notice or contract period at, or reducing them to, one year or less. The Compensation Committee should, however, be sensitive and flexible, especially over timing. In some cases notice or contract periods of up to two years may be acceptable. Longer periods should be avoided wherever possible;
- (b) if it is necessary to offer longer notice or contract periods, such as three years, to new directors recruited from outside, such period should reduce after the initial period;
- (c) within the legal constraints, the Compensation Committee should tailor its approach in individual early termination cases to the wide variety of circumstances. The broad aim should be to avoid rewarding poor performance while dealing fairly with cases where department is not due to poor performance;
- (d) where appropriate, and in particular where notice or contract periods exceed one year, consideration should be given to paying all or part of compensation in installments rather than one lump sum and reducing or stopping payment when the former director take on new employment.

12. REMUNERATION OF MEMBERS TO THE COMMITTEE

12.1. The remuneration of the members of the Compensation Committee is to take the form of a fixed fee and is to be determined by the Board subject to any limits set in the articles of association and in proportion to the amount of time given to the affairs of the Company.

12.2. Decisions or discussions relating to the remuneration of the members of the Compensation Committee should be reported to the shareholders.

13. GENERAL MATTERS

13.1. The chairman of the Compensation Committee (or other member of the Compensation Committee nominated by the chairman) should make himself available at each annual general meeting of the Company to answer concerning the Compensation Committee's work during the preceding year.

13.2. Recommendations of the Compensation Committee minutes must be approved by the Board before they can be included in the Annual Report or implemented.

13.3. The Compensation Committee shall, at least once a year, review its own performance, constitution and charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13.4. Any of the terms set out in this document may be varied by a majority resolution of the Compensation Committee.

13.5. This document is intended to supersede the original charter dated as of July 11, 2008 and the amended charter adopted at the meeting of the Board of Directors of the Company on June 4, 2008.

APPENDIX

SUGGESTED SUMMARY REMUNERATION TABLE

This table is intended to bring together, in one place, the value of all of the various elements of remuneration received by each director during the year.

	SALARY & FEES (Note 1) \$000	BENEFITS \$000	ANNUAL BONUS \$000	OTHER \$000	TOTAL \$000	PRIOR YEAR TOTAL \$000	LONG-TERM INCENTIVES		PENSIONS	
							CURRENT YEAR \$000	PRIOR YEAR \$000	CURRENT YEAR \$000	PRIOR YEAR \$000
Executive										
A										
B										
C										
D										
E										
Non-executive										
F										
G										
H										

Note 1 A separate analysis of fees for non-executives, separating Board fees from Committee fees, may be given.